

EXCERPT 1999 Wisconsin Act 9

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1 13.94 (1) (p) No later than January 1, 2008, prepare a program evaluation audit of the private
2 employer health care coverage program established under subch. X of ch. 40. The legislative audit
3 bureau shall file a copy of the audit report under this paragraph with the distributees specified in par. (b).

4 15.07 (1) (b) 22. Private employer health care coverage board.

5 15.165 (5) **PRIVATE EMPLOYER HEALTH CARE COVERAGE BOARD.** (a) There is created in
6 the department of employee trust funds a private employer health care coverage board consisting of the
7 secretary of employee trust funds or his or her designee, the secretary of health and family services or his
8 or her designee and the following members appointed for 3-year terms:

- 9 1. One member who represents health maintenance organizations.
10 2. One member who represents hospitals.
11 3. One member who represents insurance agents, as defined in s. 628.02 (4).
12 4. Two members who are employees eligible to receive health care coverage under subch. X of
13 ch. 40 and whose employer employs not more than 50 employees.
14 5. One member who represents insurers.
15 6. Two members who are, or who represent, employers that employ not more than 50 employees
16 and who are eligible to offer health care coverage under subch. X of ch. 40.
17 7. One member who is a physician, as defined in s. 448.01 (5).
18 8. Two members who represent the public interest.
19 (b) The secretary of employee trust funds or his or her designee and the secretary of health and
20 family services or his or her designee shall be nonvoting members.

20.515 Employee trust funds, department of				
(2) Private employer health care coverage program				
(a) Private employer health care coverage program; operating costs	GPR	B	200,000	-0-
(b) Grants for program administration	GPR	B	200,000	-0-
(g) Private employer health care coverage plan	GPR	C	-0-	-0-
(2) PROGRAM TOTALS				
GENERAL PURPOSE REVENUES			400,000	-0-
PROGRAM REVENUE			-0-	-0-
OTHER			(-0-)	(-0-)
TOTAL-ALL SOURCES			400,000	-0-

20.515 (2) (title) **PRIVATE EMPLOYER HEALTH CARE COVERAGE PROGRAM.**

20.515 (2) (a) Private employer health care coverage program; operating costs. Biennially, the amounts in the schedule for the operating costs relating to the private employer health care coverage program under subch. X of ch. 40.

20.515 (2) (b) Grant for program administrator's costs. Biennially, the amounts in the schedule for the grant under 1999 Wisconsin Act (this act), section 22 (3).

20.515 (2) (g) Private employer health care coverage plan. All moneys received under subch. X of ch. 40 from employers who elect to participate in the private employer health care coverage program under subch. X of ch. 40, for the costs of designing, marketing and contracting for or providing administrative services for the program.

Section 944ym. Subchapter X of chapter 40 [precedes 40.98] of the statutes is created to read:

CHAPTER 40
SUBCHAPTER X
PRIVATE EMPLOYER HEALTH
CARE COVERAGE

40.98 Health care coverage. (1) In this subchapter:

(ag) "Abortion" means the use of an instrument, medicine, drug or other substance or device with intent to terminate the pregnancy of a woman known to be pregnant or for whom there is reason to believe that she may be pregnant and with intent other than to increase the probability of a live birth, to preserve the life or health of the infant after live birth or to remove a dead fetus.

(ar) "Board" means the private employer health care coverage board.

(b) "Dependent" means a spouse, an unmarried child under the age of 19 years, an unmarried child who is a full-time student under the age of 21 years and who is financially dependent upon the parent, or an unmarried child of any age who is medically certified as disabled and who is dependent upon the parent.

1 (c) "Employee" means any person who receives earnings as payment for personal services
2 rendered for the benefit of any employer including officers of the employer. An employee is considered to
3 have separated from the service of an employer at the end of the day on which the employee last
4 performed services for the employer, or, if later, the day on which the employee-employer relationship is
5 terminated because of the expiration or termination of leave without pay, sick leave, vacation or other
6 leave of absence. A person shall not be considered an employee if any of the following applies:

7 1. The person is employed under a contract involving the furnishing of more than personal
8 services.

9 2. The person is customarily engaged in an independently established trade, business or
10 profession providing the same type of services to more than one employer and the person's services to
11 an employer are not compensated for on a payroll of that employer.

12 3. The person is a patient or inmate of a hospital, home or institution and performs services in the
13 hospital, home or institution.

14 (d) "Employer" means any person doing business or operating an organization in this state and
15 employing at least 2 employees, except that for a person operating a farm business the person must
16 employ at least one employee. "Employer" does not include an employer as defined in s. 40.02 (28).

17 (e) "Health care coverage program" means the health care coverage program established under
18 sub. (2) (a).

19 (f) "Insurer" has the meaning given in s. 600.03 (27).

20 (g) "Nontherapeutic abortion" means an abortion that is not directly and medically necessary to
21 prevent the death of the woman.

22 (2) (a) 1. The department shall design an actuarially sound health care coverage program for
23 employers that includes more than one group health care coverage plan and that provides coverage
24 beginning not later than January 1, 2001. The health care coverage program shall be known as the
25 "Private Employer Health Care Purchasing Alliance". In designing the health care coverage program, the
26 department shall consult with the office of the commissioner of insurance and may consult with the
27 departments of commerce and health and family services. The health care coverage program may not be
28 implemented until it is approved by the board.

29 2. The department shall solicit and accept bids and make every reasonable effort to enter into a
30 contract for the administration of the health care coverage plans under the program, based on criteria
31 established by the board. If the department has not entered into a contract for the administration of the
32 health care coverage plans under the program for coverage to begin before January 1, 2001, the
33 department shall submit a report to the cochairpersons of the joint committee on finance specifying the
34 department's reasons for not entering into a contract. After submitting the report to the cochairpersons of
35 the joint committee on finance, the department shall provide all administrative services necessary for the
36 provision of the health care coverage plans under the program. During the period that the department is

1 providing the administrative services, the department shall continue to make every reasonable effort to
2 contract for the administration of the health care coverage plans under the program.

3 3. The administrator selected under subd. 2., or the department if no administrator has been
4 selected under subd. 2., shall enter into contracts with insurers who are to provide health care coverage
5 under the health care coverage program.

6 4. The department shall solicit and accept bids and shall enter into a contract for marketing the
7 health care coverage program.

8 5. The department shall maintain a toll-free telephone number to provide information on the
9 health care coverage program.

10 (b) Every health care coverage plan under the health care coverage program is subject to the
11 provisions of chs. 600 to 646 that apply to group health benefit plans, as defined in s. 632.745 (9), to the
12 same extent as any other group health benefit plan, as defined in s. 632.745 (9).

13 (bm) No health care coverage plan under the health care coverage program may provide
14 coverage of a nontherapeutic abortion except by an optional rider or supplemental coverage provision
15 that is offered and provided on an individual basis and for which an additional, separate premium or
16 charge is paid by the individual to be covered under the rider or supplemental coverage provision. Only
17 funds attributable to premiums or charges paid for coverage under the rider or supplemental coverage
18 provision may be used for the payment of any claim, and related administrative expenses, that relates to
19 a nontherapeutic abortion. Such funds may not be used for the payment of any claim or administrative
20 expenses that relate to any other type of coverage provided by the insurer under the health care
21 coverage plan. Nothing in this paragraph requires an insurer or an employer to offer or provide coverage
22 of an abortion under a health care coverage plan under the health care coverage program.

23 (c) The health care coverage program established under par. (a), or any health care coverage
24 plan included in the program, may not be combined with any health care coverage plan under subch. IV.

25 (d) All insurance rates for health care coverage under the program shall be published annually in
26 a single publication that is made available to employers and employees. The rates may be listed by county
27 or by any other regional factor that the board considers appropriate.

28 (e) All plans under the health care coverage program shall have an enrollment period that is
29 established by the board.

30 (f) 1. If the department has selected an administrator under par. (a) 2., the administrator shall
31 charge employers who participate in the health care coverage program a fee to cover the cost of
32 administrative services for the health care coverage program. The administrator shall reimburse the
33 department for the expenses incurred by the department in designing, marketing and contracting for
34 administrative services for the program. All moneys received by the department under this subdivision
35 shall be credited to the appropriation account under s. 20.515 (2) (g).

36 2. If the department has not selected an administrator under par. (a) 2., the department shall
37 charge employers who participate in the health care coverage program a fee to cover the costs incurred

1 by the department in designing, marketing and providing administrative services for the health care
2 coverage program. All moneys received by the department under this subdivision shall be credited to the
3 appropriation account under s. 20.515 (2) (g).

4 (g) The department may not sell any health care coverage under the health care coverage
5 program to an employer or enroll any employee in the health care coverage program, but the department
6 shall make information about the program available to employers on a statewide basis.

7 (3) Any employer who participates in the health care coverage program shall do all of the
8 following:

9 (a) Offer health care coverage under one or more plans to all of its permanent employees who
10 have a normal work week of 30 or more hours and may offer health care coverage under one or more
11 plans to any of its other employees.

12 (b) Provide health care coverage under one or more plans to at least 50% of its permanent
13 employees who have a normal work week of 30 or more hours and who do not otherwise receive health
14 care coverage as a dependent under any other plan that is not offered by the employer or a percentage of
15 such employees specified by the board, whichever percentage is greater.

16 (c) Pay for each employee at least 50% but not more than 100% of the lowest premium rate that
17 would be available to the employer for that employee's coverage under the health care coverage program.

18 (d) Make premium payments for the health care coverage of its employees in the manner
19 specified by the board.

20 (4) Any employer that provides health care coverage for its employees under the program and that
21 voluntarily terminates coverage under the program is not eligible to participate in the program for at least
22 3 years from the date that coverage is terminated.

23 (5) Any insurer that offers a health care coverage plan under the health care coverage program
24 shall provide coverage under the plan to any employer that applies for coverage, and to all of the
25 employer's employees who elect coverage under the health care coverage plan, without regard to the
26 health condition or claims experience of any individual who would be covered under the health care
27 coverage plan if all of the following apply:

28 (a) The employer agrees to pay the premium required for coverage under the health care
29 coverage plan.

30 (b) The employer agrees to comply with all provisions of the health care coverage plan that apply
31 generally to a policyholder or an insured without regard to health condition or claims experience.

32 (6) (a) Health care coverage under the health care coverage program may only be sold by
33 insurance agents licensed under ch. 628.

34 (b) An insurance agent may not sell any health care coverage under the health care coverage
35 program on behalf of an insurer unless he or she is employed by the insurer or has a contract with the
36 insurer to sell the health care coverage on behalf of the insurer.

1 (c) The board shall set, and may adjust as often as semiannually, the commission rate for the
2 sale of a policy under the health care coverage program. The rate shall be based on the average
3 commission rate that insurance agents are paid in the state for the sale of comparable health insurance
4 policies at the time that the rate is set or adjusted.

5 (d) An insurer shall specify on the first page of any policy sold under the health care coverage
6 program the amount of the commission paid to the insurance agent.

7 (7) (a) Annually, on or before December 31, the board shall submit a report to the appropriate
8 standing committees under s. 13.172 (3) and to the governor on the operation of the health care coverage
9 program. The report shall specify the number of employers and employees participating in the health care
10 coverage program, calculate the costs of the health care coverage program to employers and their
11 employees and include recommendations for improving the health care coverage program.

12 (b) No later than January 1, 2008, the board shall submit a report to the appropriate standing
13 committees under s. 13.172 (3) and to the governor that offers recommendations as to whether the
14 department should continue to be involved in the design, marketing and contracting for administrative
15 services for the health care coverage program. If the board recommends that the department not be
16 involved in the performance of these functions, the board shall submit proposed legislation eliminating the
17 department's involvement in the performance of these functions to the appropriate standing committees
18 under s. 13.172 (3) at the time that the board submits its report.

19 (1g) **PRIVATE EMPLOYER HEALTH CARE COVERAGE BOARD.** Notwithstanding the length of
20 terms specified for the members of the private employer health care coverage board under section
21 15.165 (5) of the statutes, as created by this act, the initial members shall be appointed for the following
22 terms:

23 (a) The members specified under section 15.165 (5) (a) 1., 3. and 7. of the statutes, as created by
24 this act, for terms expiring on May 1, 2002.

25 (b) The members specified under section 15.165 (5) (a) 2., 5. and 8. of the statutes, as created by
26 this act, for terms expiring on May 1, 2003.

27 (c) The members specified under section 15.165 (5) (a) 4. and 6. of the statutes, as created by
28 this act, for terms expiring on May 1, 2004.

29 (2) **POSITION AUTHORIZATIONS FOR THE DEPARTMENT OF EMPLOYEE TRUST FUNDS.**
30 The authorized FTE positions for the department of employee trust funds are increased by 3.5 GPR
31 positions on the effective date of this subsection, to be funded from the appropriation under section
32 20.515 (2) (a) of the statutes, as created by this act, for the purpose of designing and contracting for
33 administrative services for the private employer health care coverage program under subchapter X of
34 chapter 40 of the statutes, as created by this act.

35 (3) **GRANT FOR ADMINISTRATION OF PROGRAM.**

36 (a) In this subsection:

1 1. "Administrator" means the administrator selected by the department under section 40.98 (2) (a)
2 2. of the statutes, as created by this act.

3 2. "Department" means the department of employee trust funds.

4 3. "Secretary" means the secretary of employee trust funds.

5 (b) The department shall make a grant of \$200,000 from the appropriation under section 20.515
6 (2) (b) of the statutes, as created by this act, to the administrator for costs associated with administering
7 the health care coverage plans under the program under subchapter X of chapter 40 of the statutes, as
8 created by this act, if all of the following apply:

9 1. The administrator submits a plan to the department detailing the proposed use of the grant and
10 the secretary approves the plan

11 2. The administrator enters into a written agreement with the department that specifies the
12 conditions for use of the grant proceeds, including reporting and auditing requirements.

13 3. The administrator agrees in writing to submit to the department the report required under
14 paragraph (c) by the time required under paragraph (c).

15 (c) If the administrator receives a grant under this subsection, the administrator shall submit to the
16 department, within 6 months after spending the full amount of the grant, a report detailing how the grant
17 proceeds were used.

18 (1g) **PRIVATE EMPLOYER HEALTH CARE COVERAGE.** The repeal of sections 13.94 (1) (p),
19 15.07 (1) (b) 22., 15.165 (5) and 20.515 (2) (title), (a), (b) and (g) and subchapter X of chapter 40 of the
20 statutes and the amendment of section 40.02 (26) (intro.) (by **SECTION 930wm**) and (28) (by **SECTION**
21 931c) of the statutes take effect on January 1, 2010.
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